Leslie Heppler - Re: Concurrence for Bond release Zielger chemical

From: William Stokes
To: Leslie Heppler

Date: 10/17/2012 4:22 PM

Subject: Re: Concurrence for Bond release Zielger chemical

Thanks Leslie, This help understand Ziegler's overall bonding. Upon your recommendation the School and Institutional Trust Lands Administration concurs with the proposed bond release and application of those funds towards other development projects.

>>> Leslie Heppler 10/17/2012 3:14 PM >>> Good Afternoon Gentleman -

Ziegler Chemical has requested a bond release on several older reclaimed sites, (see attached which includes maps). There will be no release of actual dollars as they would like apply the money else where on the Cottonwood vein (sometimes referred to as the Willow Creek vein in T105, R21E, sec 28 - SITLA land)

OGM holds the following reclamation bond for the following -

Cottonwood 1&2 \$426 SITLA Cottonwood 3 \$515 SITLA Little Emma 7 \$378 Private

Cowboy1-Federal \$13276 Private - but there is also some disturbance on BLM see google earth

TOTAL \$14595 Mixed

I have also attached my inspection, which I recommend that OGM will release the sites. Please send your concurrence(s) via email.

Before I can calculate the bond for Cottonwood 4, 5 and 6 I need more information from the operator. IF both BLM and SITLA agree to the release, I doubt \$14595 will be enough bond for 3 full sites. Hopefully the \$14595 is enough bond so they can open a site, while they reclaim another site. I will send another email concurrence email when I receive more info.

I have also attached our 2003 Bond calc that covers much of the disturbances, over all they have \$450,200 for the northern area.

If you have any questions please call me at 801 538-5257.

Utah Division of Oil, Gas & Mining Office hours - Mon thru Fri 8-5 (801) 538-5340

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